

AUGUST 21, 1989

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON AUGUST 21, 1989, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 44454 Vern Jones P. O. Box 753 Salt Lake City, UT 84110	<u>T8N, R8W, SLB&amp;M.</u> Bed of the Great Salt Lake in: Sec. 9: All Sec. 10: All Sec. 11: All Sec. 14: All	Box Elder 2560.00 acres
Min. Lease Appl. No. 44456 Vern Jones P. O. Box 753 Salt Lake City, UT 84110	<u>T8N, R8W, SLB&amp;M.</u> Bed of the Great Salt Lake in: Sec. 22: All Sec. 23: All Sec. 24: All	Box Elder 1920.00 acres
Min. Lease Appl. No. 44457 Vern Jones P. O. Box 753 Salt Lake City, UT 84110	<u>T8N, R8W, SLB&amp;M.</u> Bed of the Great Salt Lake in: Sec. 25: All Sec. 26: All Sec. 27: All	Box Elder 1920.00 acres

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COAL LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Coal lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 44461	<u>T28S, R9E, SLB&amp;M.</u>	Wayne
Factory Butte Coal Co., Inc.	Sec. 2: Lots 1, 2, 3, 4,	1281.32 acres
c/o Duane A. Frandsen, Atty	S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$	
395 West 4650 North	Sec. 16: All	
Provo, UT 84604		

DUE: \$2.00

\* \* \* \* \*

METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date is September 1, 1999.

Min. Lease Appl. No. 44459	<u>T12N, R19W, SLB&amp;M.</u>	Box Elder
Teck Resources Inc.	Sec. 1: Lots 1, 2, 4,	246.56 acres
P. O. Box 10510	S $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ ,	
Reno, NV 89510	NE $\frac{1}{4}$ SW $\frac{1}{4}$	

Min. Lease Appl. No. 44460	<u>T13N, R19W, SLB&amp;M.</u>	Box Elder
Teck Resources Inc.	Sec. 36: All	640.00 acres
P. O. Box 10510		
Reno, NV 89510		

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INDUSTRIAL SANDS LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Industrial Sands lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date is September 1, 1999.

Min. Lease Appl. No. 44462	<u>T42S, R6W, SLB&amp;M.</u>	Kane
Richard Cothern	Sec. 32: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ ,	200.00 acres
Box 513	N $\frac{1}{2}$ SW $\frac{1}{4}$	
1504 S. Highway 89-A		
Kanab, UT 84741		

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TOTAL ASSIGNMENTS--OIL, GAS, AND HYDROCARBON

Upon recommendation of Mr. Bonner, the Director, approved the assignment of the Oil, Gas, and Hydrocarbon Leases listed below to Presidio Exploration, Inc., 5613 DTC Parkway, Suite 800, Englewood, CO 80111-3035, by Sohio Petroleum Company. No override.

LEASE OWNERSHIP: SOHIO PETROLEUM COMPANY

....ML 41647....ML 41649....

INTEREST ASSIGNMENT--OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Mr. Bonner, the Director approved the assignment of 25% interest in and to the Oil, Gas, and Hydrocarbon Lease listed below to Alpha Exploration, Inc., P.O. Box 2875, Casper, WY 82602, by Thomas F. Stroock. No override.

LEASE OWNERSHIP: THOMAS F. STROOCK--75%, AND  
ALPHA EXPLORATION, INC.--25%

....ML 40797....

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OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 18.75% interest in operating rights in part of leased lands: W2SW4 Sec. 2, T40S, R22E, SLB&M.; assignment of 6.25% interest in operating rights in part of leased lands: E2SW4, W2NW4 Sec. 2, T40S, R22E, SLB&M.; and 12.50% interest in operating rights in part of leased lands: E2NW4 Sec. 2, T40S, R22E, SLB&M., all operating rights assigned are from the surface to the stratigraphic equivalent of 5,735 feet as encountered in the No. 7 Recapture Pocket Well, located in NW4SW4 of Sec. 2, T40S, R22E, SLB&M., in and to the Oil, Gas, and Hydrocarbon lease listed below to Four-Ten Exploration, 410 Seventeenth Street, Suite 1710, Denver, CO 80202, by Century Chartering Co., Inc. No override.

LEASE OWNERSHIP: TEXACO PRODUCING INC.--50%,  
DONALD G. ANDERSON--25%,  
CHORNEY OIL COMPANY--12.5%, AND  
W.H. BROWN--12.5%  
OPERATING RIGHTS: From the surface to  
the stratigraphic equivalent of 5,735  
feet as encountered in the No. 7 Recapture  
Pocket Well, located in NW4SW4 Sec. 2,  
T40S, R22E, SLB&M.  
T40S, R22E, SLB&M.  
Sec. 2: W2SW4  
ENTERPRISE 1987, LTD.--37.5%,  
TEXACO PRODUCING, INC.--25%,  
CENTURY CHARTERING CO., INC.--18.75%,  
AND NUCORP ENERGY INC.--18.75%  
T40S, R22E, SLB&M.  
Sec. 2: E2SW4, W2NW4  
TEXACO PRODUCING, INC.--50%,  
DAVIS OIL COMPANY--25%,  
ENTERPRISE 1987, LTD.--12.5%,  
CENTURY CHARTERING CO., INC.--6.25%,  
AND NUCORP ENERGY INC.--6.25%  
T40S, R22E, SLB&M.  
Sec. 2: E2NW4  
TEXACO PRODUCING, INC.--25%,  
DAVIS OIL COMPANY--25%,  
ENTERPRISE 1987, LTD.--25%,  
CENTURY CHARTERING CO., INC.--12.5%,  
AND NUCORP ENERGY, INC.--12.5%

....ML 29914....

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OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of 5% interest in operating rights from the surface of the earth down to and including, but not below, the stratigraphic equivalent of 7150 feet, which was total depth drilled in the Alta No. 5-1-B Well in part of leased lands: Bed of the Green River in NW4NE4 Sec. 5, T7S, R21E, SLB&M., 12.50 acres, in and to the Oil, Gas, and Hydrocarbon lease listed below to Alta Energy Corporation, 500 North Loraine, Suite 900, Midland, TX 79701, by EP Operating Company, who reserves 8.333% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: EP OPERATING COMPANY--50%, AND  
LOMAX EXPLORATION COMPANY--50%  
OPERATING RIGHTS: From surface down to and  
including, but not below, the stratigraphic  
equivalent of 7150 feet, which was total  
depth drilled in Alta No. 1-5-1-B Well  
T7S, R21E, SLB&M. 12.50 Acres  
Sec. 5: Bed of the Green River in  
NW4NE4  
COLUMBIA GAS DEVELOPMENT CORP.--95%,  
EP OPERATING COMPANY--5%

....ML 40230....

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OPERATING RIGHTS ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of 5% interest in operating rights from the surface of the earth down to and including, but not below, the stratigraphic equivalent of 7150 feet, which was total depth drilled in the Alta No. 5-1-B Well in part of leased lands: Bed of the Green River in NW4NE4 Sec. 5, T7S, R21E, SLB&M., 12.50 acres, in and to the Oil, Gas, and Hydrocarbon lease listed below to Al G. Langford, 4304 Boulder, Midland, TX 79707, by Alta Energy Corporation. No override, but subject to 8.333% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: EP OPERATING COMPANY--50%, AND  
LOMAX EXPLORATION COMPANY--50%  
OPERATING RIGHTS: From surface down to and  
including, but not below, the stratigraphic  
equivalent of 7150 feet, which was total  
depth drilled in Alta No. 1-5-1-B Well  
T7S, R21E, SLB&M. 12.50 Acres  
Sec. 5: Bed of the Green River in  
NW4NE4  
COLUMBIA GAS DEVELOPMENT CORP.--95%,  
ALTA ENERGY CORPORATION--5%

....ML 40230....

Upon recommendation of Mr. Bonner, the Director approved the assignment of 100% interest in operating rights from the surface of the earth to the stratigraphic equivalent of the total depth drilled in the State 26-A Well, being 13,000 feet, said well located in the SE4NE4 of Sec. 26, T2S, R3W, SLB&M., in and to the Oil, Gas, and Hydrocarbon lease listed below to Presidio Exploration, Inc., 5613 DTC Parkway, Suite 800, Englewood, CO 80111-3035, by Sohio Petroleum Company. No override, but subject to 12.5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: PROVEN PROPERTIES, INC.--50%, AND  
PENNZOIL COMPANY--50%  
OPERATING RIGHTS: From surface of earth  
to stratigraphic equivalent of total depth  
drilled in State 26-A Well, being 13,000  
feet, said well located in the SE4NE4 of Sec.  
26, T2S, R3W, SLB&M.  
SOHIO PETROLEUM COMPANY--100%

....ML 34642....

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OVERRIDING ROYALTY ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 3% overriding royalty interest in and to the Oil, Gas, and Hydrocarbon Leases listed below to Margil Lyons, 2828 Alcazar, N.E., Albuquerque, NM 87110, by Burnett Oil Company. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: BURNETT OIL COMPANY

....ML 44248....ML 44249....

TOTAL ASSIGNMENTS--METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Metalliferous Minerals lease listed below to Umetco Minerals Corporation, P.O. Box 1029, Grand Junction, CO 81502, by William M. Stokes. No override.

LEASE OWNERSHIP: WILLIAM M. STOKES

....ML 44409....

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Metalliferous Minerals lease listed below to Kennecott Corporation, 10 East South Temple, Salt Lake City, UT 84101, by Kennecott Minerals Company. No override.

LEASE OWNERSHIP: KENNECOTT MINERALS COMPANY

....ML 44404....ML 44407....

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TOTAL ASSIGNMENTS--COAL LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Coal leases listed below to Hanksville Coal, Inc., C/O Duane Frandsen, Attorney, 395 West 4650 North, Provo, UT 84604, by Henry Mountain Coal, Inc. No override.

LEASE OWNERSHIP: HENRY MOUNTAIN COAL, INC.

....ML 43951....ML 43953....ML 43954....ML 43957....ML 43959....ML 43980....  
....ML 43981....

\* \* \* \* \*

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	10.50	9.50

  
PATRICK D. SPURGIN, DIRECTOR  
DIVISION OF STATE LANDS/FORESTRY

  
LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209

8/21/89

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